Residents, individuals, as well as corporates, can avail of international credit card facility from any of the card issuers in India. The issuers according to their credit perception fix the credit limit available against such cards.

As an endeavor to further liberalise the drawals of foreign exchange for Current account transactions by residents, it has now been decided that the existing requirement of prior permission of the Reserve Bank of India for availing of foreign exchange exceeding US$10,000 per calendar year for private travel and US$25,000 for business travel and also travel related to international conference/training/medical treatment, would not be applicable to the expenses incurred through International Credit Cards. This facility is available to all residents, subject to their credit limit as may be fixed by the card issuer.

It is clarified that there is no separate ceiling prescribed by the Reserve Bank under Foreign Exchange Management Act (FEMA), on expenditure incurred through use of credit cards outside or within India.

As has been announced in the Reserve Bank’s AP (DIR Series) Circular No.53 dated June 27, 2002, in addition to travel related expenditure abroad, international credit cards can also be used on internet for any purpose for which exchange can be purchased from an authorised dealer in India, e.g., for import of books, purchase of downloadable softwares or import of any other item permissible under the EXIM Policy. There is also no aggregate monetary ceiling separately prescribed for use of international credit cards through internet.

However, it is clarified that international credit cards cannot be used on internet or otherwise for purchase of prohibited items, like lottery tickets, banned or proscribed magazines, participation in sweepstakes, payment for call-back services, etc., since no drawal of foreign exchange is permitted for such items/activities.

Alpana Killawala
General Manager